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Elliott, Howard

Address to the Boston Art Club

[New York]

[1915]

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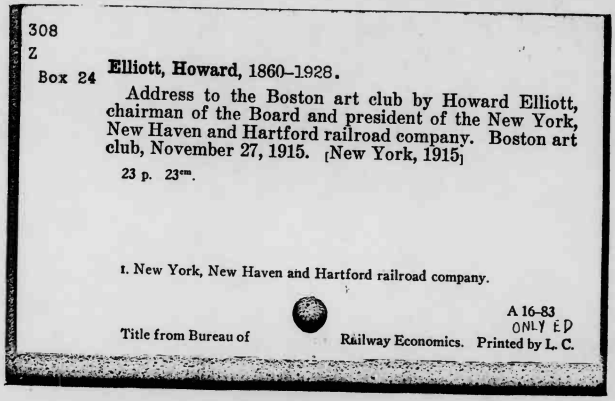

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Address to the Boston art club by Howard Elliott, chairman of the Board and president of the New York, New Haven and Hartford railroad company. Boston art club, November 27, 1915. [New York, 1915]

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ADDRESS

to the

Boston Art Club

by

HOWARD ELLIOTT
Chairman of the Board

and President of
The New York, New Haven and Hartford Railroad Company.

Boston Art Club
November 27, 1915

Dec. 15, 1916 - B.B.

Mr. President and Members of the Boston Art Club:—

Some time ago our good friend, Mr. Samuel Powers, asked me if I would make a little talk to you. I was somewhat in doubt as to my ability to say anything that would be of interest to you, and yet I felt I might be able to place before you some account of the happenings in the New England railroad situation during the past two years which may be helpful in the future work of adjusting the transportation machine satisfactorily to the needs of New England.

The New England Transportation Machine.

A trifle over two years ago, at the request of quite a number of friends, I agreed to do what I could to help out a difficult situation. The problem was a very large and intricate one, and most interesting to a man who had spent his life, as I had, in the service of railroads. At the time I took charge, the New Haven Company and its associated lines were made up of 7,976 miles of railroad and 14,175 miles of track. There were 3,197 locomotives, 8,088 passenger train cars, 79,522 freight cars and 3,541 work cars. These pieces of rolling stock, more than 94,000 in all, if coupled together, would fill about 750 miles of track, or an unbroken train from Vanceboro on the Canadian border, through Portland and Boston to New York and on to Philadelphia. In addition to this, there was a marine equipment of 240 steamers, tugs, barges, etc.

Each year these locomotives run about 80,000,000 miles, passenger train cars move 220,000,000 miles and freight cars 624,000,000 miles—all told, about 2,500,000 miles per day or more than 100,000 miles an hour.

These tracks and this rolling stock were serving the people of New England and carrying every year nearly 500,000,000 passengers, or more than 55,000 people an

hour; and nearly 80,000,000 tons of freight per year, or 9,000 tons an hour.

There were nearly 100,000 persons employed to maintain and operate this great piece of machinery, and there were about 60,000 owners. These employees and owners, together with those dependent upon them, represented at least 600,000 people, or about one-eleventh of the population of New England.

The Art of Railroading.

Your organization is devoted to art, which term is not ordinarily applied to such a material matter as running a railroad. And yet to have this piece of transportation machinery work smoothly, to eliminate points of obstruction and interference, to eliminate friction among employees, communities and governmental bodies, to bring about harmony in the constituent parts of the machine, to adjust grades, track, bridges, terminals and equipment in order to operate efficiently and give good service to the public, to develop a proper relation between income and outgo, so that the plant may be added to constantly, and thus do its work and pay a return to the holders of the securities—all of these make up the "Art of Railroading." And a most complicated and difficult art it is, one that has not yet been thoroughly developed in the United States or New England.

The problem appealed to me and, on accepting the place, I made a public statement, part of which was as follows:

Statement in 1913.

"I come into the management without prejudice for or against any community, policy, organization, method of work, man or men. I hope and expect to find many officers and men with whom I can work closely and cordially. I have no wish to displace any man so long as he is needed and is of good character, loyal, competent, and is industrious and will pull his full share of the load.

"Fond as I am of the West and Northweast, nevertheless I feel that it will be a great privilege to spend the later years of my business life working on the Atlantic coast and in New England, where my boyhood days were passed in New York, New Haven and Cambridge and where I am fortunate in having many relations on my father's and mother's side.

"We hear much about conservation in these days, and it is a most important question. The conservation of railroad service is as important to New England as is the conservation of her soil, of her water-power and of her factories. This railroad service can only be conserved by having all who are interested in the welfare of New England fair, prudent and courageous enough to take a broad, farsighted view of the whole situation.

"Every owner can do something in his own circle to understand the situation himself and to help to create a friendly feeling and to give business to the company. Every one with a real interest in the future of New England can do something to help by discussing calmly those failures and errors that are incident to a complicated piece of machinery that is not yet completed, and that is operated by many thousands of men. Criticism is expected, and fair criticism does good. Unfair attacks waste the mental energy of the officers and break down the *esprit de corps* of the army of employees.

"This complicated situation demands the best effort and spirit of every officer and employee for every working hour in order to produce that service which the public asks for, and should have, if money can be obtained with which to produce it. And the rights of the owners must be respected and not lost sight of if the new money is to be obtained to make of the New England lines what the owners and what the traveling public and shippers want them to be:—a comprehensive and effective transportation machine.

"Is it not a good time to act upon two of the maxims of Edward Everett Hale, that grand old New Englander, 'Look forward and not back,' and 'Lend a hand'? I believe that it is, and that all should put animosities and prejudices behind them, sink self-interest, be willing to practice some self-denial and work loyally to help the advancement of a greater New England and her interests, of which her railroads are a most essential part.

"I believe most thoroughly in the fundamental strength of the New England properties, in their ultimate ability to furnish the transportation needed by New England, and in the final good sense and fair judgment of the public. And I believe that the problems now presented to the management and to the public can, must and will be solved."

With these declarations as part of the platform the management began its work.

Relations With Employees.

On the day I took charge there occurred one of the most disastrous wrecks in the history of the Company. It was then absolutely apparent in the interests of the traveling public, of the employees and of the future welfare of the railroad, that it was necessary to try to develop a greater spirit of confidence among the thousands of good men on the railroad; and to have rules and regulations which, if fairly administered by just officers, would tend to produce greater efficiency and safety.

One of the first problems presented to the new management was that of revising some of the rules and regulations for the guidance of engineers and firemen. Largely, I think, through a misconception on the part of the men as to the intentions of the management, the engineers and firemen voted to strike, and were about ready to do so when better judgment prevailed, and the new rules, which provided for greater safety, were adopted. Since then the relations between officers and

men have been, I believe, better. Since that time, also, there has been a constant effort on the part of the management to instill into the minds of all officers and men that the highest success can only be achieved through a spirit of consideration, co-operation and confidence.

Safety Meetings.

In order to establish this idea of consideration, co-operation and confidence there have been numerous meetings with the men, at which many of the officers were present, and what is known in the public prints as "Safety First" has been discussed very fully. To obtain the best results in this safety campaign, it was, of course, necessary to have efficiency in addition to confidence and co-operation. It was also important not to impose upon men greater tasks than they could reasonably perform. Acting on that thought, the time of some of the trains of the Company was lengthened so as to reduce the strain upon engineers. What are called "operating divisions" of a railroad were reduced in size so that there would be closer and better supervision. Various rules and regulations as to signals were gone over very carefully, and a board of experts examined the signal system of the Company. As a result of those examinations work is now being done on many parts of the New Haven to bring the signal system up to the highest standard.

With nearly 2,000 passenger trains a day running on the New Haven, it was obvious that the watches of employees and the clocks in the directing offices should be in absolute accord. Otherwise, the danger of accidents was increased. Therefore, the latest and most modern system of time inspection was adopted. Under this system not only must all clocks and watches in use be up to a certain standard, but also they must be regulated twice a month by expert watchmakers appointed for the purpose.

On the New Haven road alone there are about 36,000 employees, or 12,000 more men than the British had at the Battle of Waterloo. It is gratifying to state that

the efforts of the management to adopt better methods and to obtain greater efficiency have been seconded loyally by a very large number of the men. Partly as a result of this work, the growth of confidence and some improvement in methods and facilities, the service of the railroad to the public has been somewhat more accurate and reliable than it was two years ago. For example, during the first six months of 1915, the Company made a total of 12,899 signal tests with a percentage of 99.75 per cent. perfection. In that same period 31 per cent. less employees were killed than in the same period the year before. There were twenty-two killed, which is altogether too many, but the year before there were thirty-two killed. No passenger has been killed in a train accident on the New Haven Railroad since the unfortunate wreck of September 2, 1913. This is not something to boast of, as it is a condition that should always exist, but it is a result that the Company is striving at all times to have, and it is also a striving to reduce the number of passengers injured and of employees injured and killed.

Relations With the Government.

Another problem confronting the Company was that of its relations to the Federal and State governments. Unfortunately those relations were very much strained. There seemed to be some animosity in the minds of some public officers towards the Company. This animosity was, perhaps, more apparent than real and represented a different view of the commercial situation in New England and a difference of opinion over the methods and policies of carrying on the transportation business.

It was obvious, however, that the transportation machine could not do the work of the people of New England satisfactorily unless, in addition to enjoying satisfactory and harmonious relations with the great army of employees, there existed also equally satisfactory and harmonious relations with the various governing bodies that in these modern days have such a large voice in the

management of public service corporations. Steps, therefore, were taken at once to try to discuss frankly with State Commissioners, Interstate Commissioners, the Department of Justice at Washington and others in authority, all problems over which there were differences and misunderstandings.

The Dissolution Suit.

It was found that the Attorney-General of the United States and the administration at Washington, also the administration in Massachusetts, felt that the corporate status of the New Haven system was unlawful. The Department of Justice believed that it should bring a law-suit and press it to a conclusion, and this suit might have disrupted the New Haven system to the extent that it would have taken several years of readjustment so that the Company could perform even to a limited extent its duties to the New England people. A settlement was finally reached with the Department of Justice, and now, looking back upon that time, some critics of the Company feel that the management should have made a strong resistance and have tried out the suit to a conclusion.

Dark Days.

Those were very dark days for the Company, and it is easier now than it was then to say that better results could have been obtained by a fight with the Government. Feeling, however, against the Company at that time was, as some of you know, very severe, and the country was just entering a period of serious business depression. As a result of various causes, the net available income of the Company showed decreases compared with the previous year, as follows:

August,	1913	$928,112.28
September,		738,175.35
October,		883,872.57
November,		672,567.01
December,		26,798.43

January,	1914.....	$539,645.50
February,	.....	344,352.14
March,	.....	30,702.22 (Increase)
April,	.....	53,455.20

For the fiscal year ending June 30, 1914, the company only earned its expenses, taxes, fixed charges and had $268,662.87 left, a decrease over the previous year of $8,653,574.85.

Maturing Notes. At the time the Company was facing this heavy fall in its available income, and the possibilities of a hostile suit by the Federal Government, it was confronted with the necessity of paying or renewing notes falling due, on December 1, 1913, amounting to $40,000,000, and on May 1, 1914, notes for $45,000.000. The credit of the Company, under these conditions, was not good, and it was with extreme difficulty that arrangements were made for an issue of $50,000,000 of notes on May 1, 1914. In fact, only a very few of us realized how close the Company was at that time to a collapse, the result of which to the Company and to New England no one could have foretold.

Sale of Assets. Therefore, an agreement was reached with the Department of Justice whereby the Company must, within certain periods, divest itself of various properties having a book value of $133,815,082.83, or about 28 per cent. of the book value of its entire assets. This, of course, introduced a difficult financial issue into our business, just as it would into the business of any man who is obliged to dispose of 28 per cent. of his assets within a limited time.

The adjustment, however, with the Federal Government cleared the air somewhat, and was a forward step in establishing those harmonious relations with public authorities which are essential for the constructive work that must be done if the New England transportation machine is to be perfected in all its details. The Company

has accepted the view of the Government and it is now purely an academic question as to whether the settlement was wise or unwise, and whether better results could have been obtained by making a fight.

Relations with Commissions. While this negotiation was going on with the Federal Government, steps were taken to bring before the State commissions and the Interstate Commerce Commission the general question of rates charged for the transportation of passengers and property. I am glad to be able to say that these commissions received the representatives of the Company cordially, and as a result of a very frank discussion of all these rate matters, certain increases in rates were allowed by the various State commissions and by the Interstate Commerce Commission, which have been most helpful in protecting the gross revenues of the Company and in giving it an increased margin over and above its expenses and taxes.

Relations With the Press. It seemed also necessary and desirable to go frankly to the great press of New England and New York, and to tell as clearly as the Company could the whole situation, so that the press could inform the people that the interests of the railroad and the interests of the people were so interwoven that in the long run no good results could be obtained if the New England railroads were unable to succeed. I am glad to be able to say that nearly all of the newspaper men were glad to have accurate facts given to them, and that they gave wide publicity to these facts, all of which has tended to make a better understanding between the patrons of the railroad and the railroad that is trying to serve them.

Appeals to the Public. In carrying out this policy the speaker has, during the last twenty-five months, made about sixty addresses in various parts of New England in an effort to set forth as simply and

clearly as possible what the management is trying to do to improve the standing of the New Haven railroad, and of those railroads that are associated with it, and the efforts to make all of them better pieces of machinery to serve the public and eventually to make a return to the thousands of individuals who have invested their savings in the securities of these properties.

Here again it is pleasant to add that the public have been receptive, cordial and helpful, and have co-operated with the management in trying to introduce economies tending to enable the Company to meet its obligations and have a little money to spend for additions and improvements to the property that are absolutely essential, if the property is to do its work.

Construction Work Needed. The two years just closing have been years of criticism, analysis, investigation and a severe dislocation of what was the New Haven system in 1913 and the strain on the properties has been most severe. Now it is to be hoped that the companies can begin a period of construction work and have time to devote their energies to the present and future rather than to explain the past.

On June 20, 1913, Commissioner Prouty, speaking for the Interstate Commerce Commission, in a report on the New England situation, said:

> "What is needed first of all to improve the railroad situation in New England is rest and an opportunity for constructive work. There is much truth in the claim of these carriers that they have been so occupied in investigations, and so criticised by the public, that no fair opportunity has been given for the operation of their railroad property. No railroad management can succeed without the support of the public which it serves. It must never be forgotten that the railroad is a public servant in fact as well as in name, and that the service which it renders depends largely upon the treatment which it receives from its master."

What Mr. Prouty said is absolutely true. The United States and New England can have, and in the long run will have, the kind of railroads and the kind of railroad service that they are willing to pay for. It is also true that we of the railroads cannot do the work that must be done in the next five years unless we have stable conditions and the support of the public.

We are thankful to say, therefore, that we feel as a result of the last two years' work conditions are more stable, the relations with the public, the press and employees are better, and that the way is clearing slowly for a march forward in the direction of providing more and better facilities so that the growing commerce of New England can be satisfactorily taken care of.

Growth of Business. Having taken these first trying steps for the purpose of getting ready, it is now important to consider the present and future situation. In the period from June 30, 1903, to June 30, 1914, the volume of the transactions on the New Haven road, or the amount of service furnished to the public, increased more than 40 per cent. There is no good reason why New England should not look forward to an increase in the next ten years as large, and possibly larger, if all instrumentalities affecting industrial and commercial life are properly adjusted. One of these instrumentalities, of course, is the railroad. Mr. Roosevelt said a long time ago: "It must not be forgotten that your railroads are the arteries through which the commercial life-blood of the nation flows. Nothing could be more vicious than the enactment of legislation which would unnecessarily interfere with the development and operation of these commercial agencies." Since then, Mr. Taft and Mr. Wilson have also pointed out in various public utterances the great importance of a strong, sound and adequate railroad system, and yet it has only been within the last year that these views have seemed to interest the minds of the law-making and law-executing powers that have such a large control over the railroads.

Inadequate Facilities.

Fortunately the country is realizing that the question of inadequate railroad facilities is pressing and vital, and there is a growing belief that the transportation business must have helpful treatment, not because of any love of the railroad, but because it is becoming more apparent each day that the general development of the country will be checked if there is not enough transportation to go around. Some of us in this business have tried to point out the importance of this subject during the last ten years, and we have been criticised for looking on the dark side. That was not a just criticism, because all we were trying to do was to obtain a reasonable margin in the transportation business so that the plants could be constantly added to, and thus make them ready for the increase in business which sooner or later was sure to come. Now, much precious time has been lost in preparing for the great uplift in business, and to meet the conditions which the unfortunate war on the other side imposes upon the United States. The railroads are trying to serve 100,000,000 people, to treat fairly nearly 2,000,000 employes, to conform to the conflicting rules, regulations and demands of forty-eight sovereign States, and to pay close attention and obedience to the United States, acting through Congress, the Post Office Department and the Interstate Commerce Commission. The country has been growing, and too much of the time of railroad officers and employees has been devoted, not to the constructive work of upbuilding, but to struggles to sustain the properties even in their present condition under the cumbersome system of regulation now in existence.

These difficulties have been particularly accentuated in New England, and to-day the whole country and New England is embarrassed by the lack of those facilities which are needed. Our problem, therefore, now, is to take up the work of getting our railroads properly adjusted to a higher level of business, and all should ap-

proach this work in good temper and in a spirit of earnest co-operation.

Mr. George E. Roberts, formerly director of the Mint, recently stated:

> "At this time our railway expansion is unquestionably falling behind the progress of the country. If we judge by the past, the volume of traffic may be expected to double in the next fifteen years, and a very large amount of work should be done to put the roads in condition to meet it. This refers particularly to what may be called roads of the second and third class. If the public attitude towards the railroads should be so modified as to strengthen general confidence in such investments, improvements of this character would probably take over a large part of the labor now employed on the war orders, and thus affect the transition to normal conditions without demoralization. But unless there is a resumption of constructive work on a large scale, there will be a serious amount of unemployment."

New Haven's Finances.

How shall New England and its railroads do the needed work? It cannot be done without the expenditure of large sums of money. To-day the New Haven Company has a floating debt of about $50,000,000.00, some of it maturing on May 1, 1916, and some on May 1, 1917. Until some method is devised for paying or refunding that debt into long-time obligations, that great weight hangs around the neck of the Company and cripples it in its effort to spend more money for necessary betterments and improvements. After an earnest campaign last winter the Legislatures of Massachusetts, Rhode Island and Connecticut passed laws which placed the Company in a position to go legally before its stockholders and the public with a plan to issue a preferred stock or to issue a mortgage bond. The Company is now studying this intricate subject with the hope that in due time it can lay before the public and the

stockholders some plan which, in the judgment of the directors, is best suited to meet the situation. The putting forth of such a plan may, however, be delayed because of an investigation into the financial affairs of the New Haven road now being made by the Public Service Commission of Massachusetts, as directed by the last Legislature. It is to be earnestly hoped that the Public Service Commission and the Legislature will promptly dispose of this matter, and that this will be the last of the numerous investigations of the Company, and that the time, energy and attention of officers and men can be devoted to the constructive work of which Mr. Prouty spoke so well in 1913.

Let me state just a few of the pieces of work that should be done and the estimated cost—this in order to care for the present business of the Company and to prepare somewhat for the future:

Terminal improvements about Boston, Providence and improvements in tracks and yards between Boston, Providence and Taunton	$10,000,000.00
Rebuilding Thames River bridge	2,500,000.00
300 steel passenger train cars	3,600,000.00
100 steam engines	2,500,000.00
3,000 freight cars	3,000,000.00
Better ballast	1,000,000.00
Better signals	1,000,000.00
Improved terminal facilities, trackage, yards, sidings, etc.	7,000,000.00
Heavier bridges	2,000,000.00
Total	$32,600,000.00

Work of this character will take several years, and the question of getting the money and doing the work is of very great importance to the welfare of New England.

It seems, therefore, as if it were to the interest of all New England citizens that they help carry out some rational financial plan whereby the railroads can be financed, to bring to a close investigations and to join with the management in a constructive period in the history of these properties.

Present Earnings. Just now the public, the owners of our securities, and the great army of employees feel encouraged, and properly so, over the improved results on the New Haven road, but let us look carefully at this situation for a moment.

For the year ending June 30, 1913, the net available income of the Company, after meeting all its obligations, was $8,922,237.72. For the year ending June 30, 1914, it was $268,662.87, and for the year ending June 30, 1915, $2,307,971.43. This result for 1915 was obtained in spite of a decrease in revenue of $2,073,328.30, by a decrease in operating expenses of $5,106,386.20. In the nineteen months from October, 1913, to April, 1915, inclusive, the gross earnings of the Company showed a large decrease, except slight increases in February and March, 1915. Beginning with May, 1915, there was another slight increase, which has grown steadily, so that now the Company is doing a very handsome business; but every dollar of its gross earnings that can be converted into net for some time to come is needed to pay off the floating debt, and to meet the cost of some of the improvements that I have tried to outline to you.

Present New Haven System. In spite of the breaking up of the New Haven system as it existed two years ago, the present New Haven is a wonderful factory for producing transportation. Its magnitude is sometimes not realized by those who are dependent upon it for much of their daily comfort and well-being. In it there are 600,969 tons of rail, enough to make twenty-two battleships like the Nevada. It would take a 400-ton blast furnace five years, five months and

twenty-five days to produce the iron necessary for this amount of rail, and it would take a 1,500-ton rolling mill 400 days to roll the rail. These rails would go 9,807 miles, or 39 per cent. of the distance around the earth at the equator.

There are about 14,000,000 ties in the railroad, and it would take 45,800 acres of timber land like the average in western Connecticut ten years to produce the necessary amount of timber, and these, if placed end to end, would measure 20,783 miles, or 83 per cent. of the distance around the earth.

The freight cars on the New Haven road move nearly 29,000 miles per hour, passenger cars about 10,000 miles and locomotives nearly 3,800 miles per hour.

The Company has approximately 48,000 security holders, employs over 36,000 people, and pays out in wages more than thirty million dollars a year.

It sells about 271,000 tickets a day and handles nearly 50,000 separate pieces of freight, and in addition furnishes mail and express facilities for thousands of people.

The Rail and Boat Lines. Working with the railroad are steamer lines interchanging business at Fall River, Newport, Providence, New Bedford, New London, Saybrook, New Haven and Bridgeport. The service between the steamer lines and the rail lines is all co-ordinated so as to try to give the maximum transportation to the great manufacturing interests of southern New England. One of the great unsettled problems before the Company is as to what shall become of these steamer lines, and that subject is now in the hands of the Interstate Commerce Commission, which is charged with the responsibility of saying whether or not railroads shall own and operate steamer lines. These steamer lines are really double and quadruple tracks upon the water, and it seems to us—those who are earnestly striving to furnish the best of facilities—that it would be unfortunate to further dislocate the New Haven system and take these boat lines away.

The Interstate Commerce Commission recently ordered the railways to dispose of their boat lines on the Great Lakes, and it is interesting to note that the Chicago Board of Trade has just filed with the Commission a petition asking for a postponement of that order, because the business men are finding that their interests will be affected adversely by the dissolution of through service by water and rail.

The New Haven boat line problem, as I say, is now before the Interstate Commerce Commission, and so far fifty-five New England chambers of commerce, boards of trade and other civic organizations have adopted resolutions suggesting that there be no separation of the steamships from the rail lines and no further dissolution of the New England transportation machine.

Possible Losses and Values. I pointed out to you that the New Haven, under the order of the Federal court, is obliged to sell assets with a book value of one hundred and thirty-three millions of dollars. In selling these properties there may be serious losses, although it is to be hoped that the general attitude of the public towards the transportation interests and the recent uplift in business throughout the country will add to the value of these properties, and reduce the possible losses to a minimum. Should there be, as is likely, quite large losses from the sale of these assets, the Company believes that when the work of valuation, which is now being conducted under the direction of the Interstate Commerce Commission by order of Congress, is completed, the valuation will show that the New Haven property as a going concern is worth very much more than the present book value of the property. Therefore, the losses resulting from the sale of the properties may be offset all or in part by a fair and proper valuation of the remaining property of the New Haven road. This valuation work is of great importance, and is now being pushed in friendly and active co-operation by the Commission and the Company. It is hoped that the work will be com-

pleted some time in 1917, and it will cost the Company for its part of the work at least $500,000.00.

In considering our problem, we must not lose sight of the owner of the securities and particularly of the stockholders.

The Rights of the Owners. In my judgment the New Haven road is absolutely solvent and can pay the interest on all its debts and make some reduction of these debts by the sale of certain properties from time to time, but the stockholder is entitled to a return upon his or her holdings, and any student of the situation should always consider this fact.

There are 26,517 stockholders, of which 12,306 hold shares from 1 to 10, 9,564 from 11 to 50, and 2,431 from 51 to 100. In other words, 24,309 of the 26,517 stockholders are what might be termed small stockholders, holding from 1 to 100 shares. There are 10,627 women stockholders and 4,186 stockholders representing trusts, guardianships, insurance companies and charitable and educational organizations.

Many of these people need dividends, and it is the earnest hope of the management that general conditions, together with the attitude of the country, the result of the Federal valuation and the sale of the properties under the dissolution suit, will, in time, produce conditions that will permit the Company to resume dividends. The path is long, and there are many difficulties in the way of the resumption of dividends, but in considering this problem the public authorities, the patrons of the road and the great leaders of the labor organizations should remember that the 26,517 stockholders are entitled to consideration, as well as are all other classes that the railroad is trying to serve.

Rights and Duty of Employees. A question that affects directly the work of improving the transportation machinery of New England, as well as all industrial development of the country, is the question of human labor. Mr. Lincoln, on March 21, 1864,

replied to a committee from the Working Men's Association of New York City as follows:

> "No man living is more worthy to be trusted than those who toil up from poverty—none less inclined to take or touch aught which they have not honestly earned.
>
> "The most notable feature of a disturbance in your city last Summer was the hanging of some working people by other working people. It should never be so. The strongest bond of human sympathy, outside of the family relation, should be one uniting all working people, of all nations and tongues and kindreds.
>
> "Nor should this lead to a war upon property or the owners of property. Property is the fruit of labor, property is desirable, is a positive good to the world. That some should be rich shows that others may become rich, and hence, is just encouragement to industry and enterprises. Let not him who is houseless pull down the house of another, but let him labor diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built."

There is much truth in this statement, and no one can take exception to the honest and earnest efforts of every man to obtain as much from his individual efforts as he can for the protection of himself and his family, but the methods of obtaining this should be considered carefully. We are passing through somewhat excited and abnormal times, due to conditions imposed by the war, and unfortunately for the welfare of society, there are numerous strikes. There is also a large movement throughout the country to the effect that men should do less work per day, rather than more. Is it not desirable to encourage the idea that there is a great responsibility upon every loyal man in the United States, no matter what his position may be, to do all the work he can, so that the total production of the United States

will be sufficient to take care of this nation, and also of those in other countries who have not our advantages?

There is a limit to which wages and short hours can go, if the work of New England and the United States is to go forward, and if we are to prepare for the future, when we will be in competition with all the world to a greater extent than ever before. Let us hope, therefore, that the leaders of labor, as well as the managers of industrial organizations and the governmental authorities will all look at the labor question in a calm, conservative way, and proceed moderately and carefully in dealing with it, without heat and violence.

It is interesting to know that the stockholders of the New Haven road, who have assumed the responsibility of creating and managing this great property, have received in dividends, from 1903 to 1915, inclusive, $92,135,064.44. At the same time there was paid out for wages on the properties that produced these dividends, $402,488,811.53. These figures show forcibly and conclusively what a great employer a big railroad is, and how large is the total paid out for the employment of those who work upon it.

Responsibility of Business Men.

Not long ago, Mr. James A. Emery, counsel for the National Council for Industrial Defense, said:

> "The business man has, moreover, the responsibility of a vast trusteeship. Millions of his fellow citizens have entrusted their savings to his care and direction; the livelihood of armies of wage-earners depends upon his successful direction. The great principles of American life and character must be preserved as the bed rock of all our industry and commerce or their perpetuation becomes impossible. Conscious of the general rectitude of business conduct, business men were never in more urgent need of organization nor yet more favorably situated to systematically present their just cause to the judgment of their fellows."

It seems to me that this was a very just statement, and that we in New England who are trying to solve our industrial, commercial and transportation problems, must realize more and more the responsibility of our trusteeship, more and more to make plain the very close interweaving of all kinds of industry, each with the other, and to emphasize the very intimate relation between what is called labor and capital, if we are to obtain the general result for society as a whole that all of us desire.

The six New England States have one-fourteenth of the population of the nation, one-twelfth of the national wealth and one-sixth of the bank deposits, and consume one-eighth of the materials of manufacture. They must have first-class railroads.

The time has come for holders of securities, employees, and all true friends of New England to use their influence to help the transportation system by insisting upon helpful co-operation and fair treatment from all; and by insisting that rates for freight, passenger, mail and parcel post are sufficient to pay modern wages and taxes, give safe and adequate service, permit necessary additions and improvements to be made, and pay a good return to the holders of the securities.

Let me again say, the management of the New Haven road gratefully acknowledges the help it has received from the public, the encouragement of the press, the helpful interest of the chambers of commerce and all commercial bodies of New England, and from many other sources in the efforts of the last two years to bring about a better understanding and a better state of things. And I cannot let this opportunity pass without expressing my appreciation of the support the management has received from the officers and employees of the company. These officers and men, the great public, the influential press, and the powerful commercial bodies of New England, and all others, have more and more realized that the welfare of New England and of her transportation machinery is so closely related that what hurts one in the long run hurts the other.

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